

CONFIDENTIAL

Executive Regis

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Through: Director of Central Intelligence
Assistant Director, OGD
Assistant Director, ORE

10 AUG 1950

Effect of Reductions in Service Attache System

Reference: AD/ORE Memorandum of 24 October 1949 to DCI, Subject: Proposed Reduction in Service Attache Staffs Abroad

Original sent Aug 16 with back slip noting Coops is checking with Penfagon and will report recommendations later PZ

1. The Office of Reports and Estimates submits herewith an assessment of the effect of the reductions in staffs of U.S. Service Attaches on the national intelligence effort. The period covered by this assessment is from the date of reductions ordered by the Secretary of Defense in October 1949 to the middle of July 1950.
2. The assessment was made by analyzing the quantity, quality, and scope of coverage of reporting from U.S. posts abroad as compared to the situation before the reductions in staffs of Service Attaches was ordered.
3. The effect of the reductions in staffs of service attaches has not been consistent throughout the world. The most noticeable impact has been in the countries of Western Europe where, with the exception of Switzerland, there has been a definite decrease in all phases of reporting. In other areas of the world the effect has not been widespread, although there have been certain countries where the ineffectiveness in reporting can be traced to the attache reductions.
4. In the functional field, serious deficiencies have been noted in the quantity and scope of intelligence reporting on railroad and highway transportation from sensitive areas in which attache reductions were made.
5. Current inadequacies in reporting from the Iron Curtain countries cannot be directly attributable to the reductions proposed by the Defense Establishment, but rather to drastic reductions, and in Bulgaria the complete elimination of US staffs, resulting from Communist pressures. Therefore, it is not possible to estimate with accuracy the effect of the economy measure on reporting from this area.
6. There is attached for your consideration a resume of deficiencies in reporting from certain countries which ORE believes resulted from the reductions in staffs of Service Attaches. Inadequacies in collection and reporting from other countries could not be traced directly to reduction in the Service Attache staffs.

Attachment

/S/
THEODORE BABBITT**CONFIDENTIAL**

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